

SmartCoverage Audit Defense Guarantee

If you qualify for and elect to purchase the smartCoverage Audit Defense Guarantee (the "Guarantee") and if you pay to Petz Enterprises, Inc. ("PEI") the applicable additional fee for this Guarantee, PEI will reimburse you for your payment of additional taxes assessed by tax authorities against your original individual federal, and individual state tax return for the current tax year. This Guarantee is affective for a period of three years from the filing deadline for your Federal and State individual income tax return, not including extensions.

The amount PEI will pay is limited to a cumulative total of \$4,000 for all such returns covered hereunder. Before PEI will reimburse you for additional taxes, you must:

- Provide PEI with proof of purchase of the Guarantee;
- Notify PEI of any notice regarding such taxes within 30 days from the date of such notice;
- Promptly provide PEI with copies of all notices and other government documents relating to such assessment;
- Provide PEI with reasonable notice of and allow PEI or its representative to attend any audit with you. Not as a legal representative but to explain how your return was prepared;
- Allow PEI at its sole discretion and expense, to challenge the assessment of such additional taxes, penalty and/or interest, and cooperate with PEI with respect to such challenge, including, without limitation, providing PEI or its representative with all applicable documents and other assistance;
- Provide PEI with proof of your payment of such additional taxes.

PEI's payment to you for additional taxes may require you to include such payment as income on your return for the year of such payment, the amount of which will be indicated on any Form 1099 you receive from PEI. Subject to the above \$4,000 limit, PEI may include in any payment made under the Guarantee its estimate of taxes you may owe on such income for that year only

The Guarantee applies only to filed original individual resident tax returns prepared using the TaxBrain.com online tax programs for the taxable year covered and for which the balance due has been paid. You represent to PEI that items or issues on such returns have not been, or are not currently under examination by taxing authorities as of the date of purchase of this Guarantee.

The Guarantee does not cover:

- Non-individual returns such as employment, corporate, partnership, trust estate and gift tax returns;
- Non-resident federal returns;
- Amended returns;
- Any return for which, as of the date of purchase, you have knowledge of additional taxes owed;
- Any return for which you have received on or before the date of purchase any notification from any taxing authority of examination or audit: and
- Additional taxes, penalties and interest that are assessed as the result of:
 - Incorrect, incomplete or misleading information that you have provided to PEI or its representatives or the TaxBrain.com program on or in connection with the preparation of a return;
 - Your failure to follow instructions in the TaxBrain.com program;
 - The taxing authority's inability to obtain from you sufficient records to support deductions, credit(s) and other items on your return;
 - Your failure to timely pay the taxes as shown to be due on your return;
 - Or additional taxes assessed as the result of your desire to take a position on your return that challenges or is otherwise inconsistent with current IRS or judicial tax law guidelines or interpretation.

In the event you are refunded any assessment, which PEI has paid to you under this Guarantee, you must reimburse PEI for the amount of such refund.